

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: April 4, 1995

SUBJECT: **HB 13 - SB 529**

This bill, if enacted, will allow any member of the Tennessee Consolidated Retirement System(TCRS) who is also a member of the National Guard and has been a member of TCRS for five or more years to establish one year of retirement credit for each five years of service in the National Guard. The member will be required to pay the TCRS an amount equal to contributions by both the member and the state during the last year of each five year period for which the additional credit is sought. The member will also be required to pay interest on such amount equal to 7.5% per annum.

The fiscal impact from enactment of this bill is estimated to be an increase in retirement liabilities of the state between \$2,562,000 and \$9,096,000 with an annual amortized cost between \$251,000 and \$893,000. The range of liability is shown since the bill does not indicate whether the TCRS salary or National Guard salary is to be used to compute the member payment.

The fiscal impact on local governments from enactment of this bill in and of itself is estimated to be minimal since the provisions of the bill are permissive.

Increased expenditures to local governments will depend upon the number of local governments electing to grant such additional credit. A reasonable

estimate of the increased expenditures cannot be determined but is estimated to exceed \$100,000 if most local governments elect to permit such additional credit.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first name "James" being the most prominent.

James A. Davenport, Executive Director